

Amendment No. 1 to SB1504

**Henry
Signature of Sponsor**

FILED

Date _____

Time _____

Clerk _____

Comm. Amdt. _____

AMEND Senate Bill No. 1504

House Bill No. 253*

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 13, Chapter 5, is amended by adding the following as a new part:

13-5-101.

(a) This part shall be known and may be cited as the "Tennessee Strategic Planning Act of 2000".

(b) The provisions of this part are a pilot project applying only to the state agencies designated under the provisions of Section 13-5-103.

(c) The provisions of this part are repealed on June 30, 2004, unless reenacted by the general assembly.

13-5-102.

(a) The general assembly finds and declares that:

(1) To promote intergovernmental coordination, accountability and the effective allocation of resources, the state should set goals to provide direction and guidance for state agencies in the development and implementation of their respective plans, programs, and services.

(2) Regular evaluation of the goals and state agency strategic plans is necessary to inform the public whether state goals are being attained. To accomplish this purpose, the state agency strategic plans should be evaluated annually with any necessary revisions prepared through coordinated action by state agencies and the state's chief planning officer.

(b) It is the intent of the general assembly that:

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(1) The state planning process and the state agency strategic plans provide direction for the delivery of governmental services, a means for defining and achieving the specific goals of the respective state agencies, and a method for evaluating the accomplishment of those goals and establishing more accountability for all state agencies.

(2) State agency strategic plans shall be effectively coordinated to ensure the establishment of appropriate agency priorities and to facilitate the orderly, positive management of agency activities consistent with the public interest. It is also intended that the implementation of the state agency strategic plans enhance the quality of life of the citizens of the state.

13-5-103.

As used in this part, unless the context otherwise requires:

(1) "Commissioner" means the commissioner of finance and administration.

(2) "Goal" means the long-term end toward which programs and activities are ultimately directed.

(3) "Objective" means a specific, measurable, intermediate end that is achievable and marks progress toward a goal.

(4) "Policy" means the way in which programs and activities are conducted to achieve an identified goal.

(5) "State agency" or "agency" means any one (1) of the three (3) agencies within state government selected by the commissioner to

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participate in the pilot programs established under this act. The three (3) agencies may include one (1) higher education institution or non-formula unit selected by the commissioner in consultation with the executive director of the Tennessee higher education commission.

(6) "State agency strategic plan" means the statement of priority directions that an agency will take to carry out its mission within the context of any statutory mandates and authorizations given to the agency.

(7) "Strategy" means a means to an end; a policy, program, action or decision that an agency uses to achieve an objective.

13-5-104.

The commissioner shall serve as the chief planning officer of the state and, in consultation with the governor, shall conduct an annual review and revision of the state agency strategic plans.

13-5-105.

(a) The head of the state agency shall select from within such agency a person to be designated as the planning officer for such entity. The agency planning officer shall be responsible for coordinating with the commissioner of finance and administration and with the planning officers of other agencies all activities and responsibilities of such agency relating to planning.

(b) The head of the agency shall notify the commissioner of finance and administration in writing of the person initially designated as the planning officer for such agency and of any changes in persons so designated thereafter.

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13-5-106.

(a) A state agency strategic plan shall be a statement of the priority directions an agency will take to carry out its mission within the context of any statutory mandates and authorizations given to the agency. The agency strategic plan shall specify those objectives against which will be judged the agency's achievement of its goals.

(b) A state agency strategic plan shall be developed with a two (2) to five (5) year outlook.

(c) All amendments, revisions, or updates to a state agency strategic plan shall be prepared in the same manner as the original and shall be prepared as needed because of changes in the statutory authority and responsibility of the agency.

13-5-107.

(a) Beginning in 2002, the head of the agency shall prepare a strategic plan and shall submit the plan to the commissioner at a time to be prescribed by the commissioner.

(b) The state agency strategic plan must be developed in a form and manner prescribed in written instructions prepared by the commissioner. The state agency strategic plan must identify any additional legislative authority necessary to implement the provisions of the plan. The agency may only implement those portions of its strategic plan that are consistent with statutory or constitutional authority and for which funding, if needed, is available consistent

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with the provisions of applicable appropriations acts of the general assembly.

State agency strategic plans shall be amended by the agency, as necessary, to ensure consistency with legislative actions prior to implementation of any portion of the plan affected by legislative action.

(c) The commissioner shall review the state agency strategic plan to ensure that it is consistent with the requirements as specified in the commissioner's written instructions. Within sixty (60) days, reviewed plans shall be returned to the agency, together with any required revisions.

(d) The head of each state agency shall, within thirty (30) days of the return of its state agency strategic plan, incorporate all revisions required by the commissioner and return the revised plan to the commissioner.

(e) The commissioner shall transmit copies of each state agency strategic plan to the speakers of the senate and house of representatives for referral to the respective finance, ways and means committees and other appropriate standing committees, not later than thirty (30) days prior to the next regular session of the general assembly.

(f) Whenever the governor, in consultation with the commissioner, determines that an emergency or other urgent practical necessity requires that the strategic planning process provided in this part be suspended, the governor may suspend such planning process for a period of one (1) year, provided that the governor gives notice in writing to the chairs of the senate and house finance, ways and means committees at least thirty (30) days prior to such suspension.

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The written notice shall include a statement of the nature of the emergency or urgent practical necessity.

(g) The state agency strategic plans developed pursuant to this part are not rules and therefore are not subject to the provisions of the Uniform Administrative Procedures Act compiled at title 4, chapter 5.

SECTION 2. Tennessee Code Annotated, Section 9-4-5102 is amended by deleting all of the current language of that section and by substituting instead the following:

9-4-5102. Performance-Based Budgeting.

(a) The provisions of this section shall be known and may be cited as the "Tennessee Performance-Based Budgeting Act of 2001".

(b) Beginning with the fiscal year 2003-2004 budget, the agency strategic plan required by title 13, chapter 5, shall provide the strategic framework within which an agency budget request is developed for submission to the commissioner of finance and administration.

(c) Beginning with the fiscal year 2003-2004 budget, the budget document shall include performance measures, performance standards, and baseline data for each program included in a state agency's recommended budget; provided, that the commissioner of finance and administration may exempt from the application of this section any programs or agencies the commissioner considers not to be conducive to performance-based budgeting.

(d) Such performance-based budgeting may be implemented in stages, with at least three (3) state agencies to be included in a pilot project in the 2003-

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2004 and 2004-2005 budget documents, and an additional five (5) agencies in each budget document thereafter until all agencies have implemented performance-based budgeting. The three (3) pilot agencies may include one (1) higher education institution or non-formula unit selected by the commissioner of finance and administration in consultation with the executive director of the Tennessee higher education commission. Other provisions of this section to the contrary notwithstanding, this section shall not apply to the general assembly, the governor's office, or the court system.

(e) For purposes of this section, the term "program" shall mean a budget unit included in the budget document for which an appropriation is provided in the general appropriations act.

(f) In each budget document, the performance measures, performance standards, and baseline data shall be provided for the current fiscal year, one (1) prior fiscal year, and the one (1) future fiscal year for which funding is recommended. The performance measures, standards, and baseline data shall be quantitative and, to the extent practical, shall be outcome based, in order to indicate the actual impact or public benefit of a program.

(g) Whenever the governor, in consultation with the commissioner of finance and administration, determines that an emergency or other urgent practical necessity requires that the performance-based budget process provided in this section be suspended, the governor may suspend such process for a period of one (1) year, provided that the governor gives notice in writing to the

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chairs of the senate and house finance, ways and means committees at least thirty (30) days prior to the submission of the next budget document to the general assembly. The written notice shall include a statement of the nature of the emergency or urgent practical necessity.

(h) The provisions of this section are repealed on June 30, 2004, unless reenacted by the general assembly.

SECTION 3. Tennessee Code Annotated, Sections 9-4-5106(b) and 9-4-5115(b) are repealed effective June 30, 2001.

SECTION 4. The provisions of this act shall be null and void unless appropriations necessary to implement its provisions are made in each general appropriations act for fiscal years 2001-2002, 2002-2003, 2003-2004, and any future years in which the requirements of this act are being extended to additional state agencies. The commissioner of finance and administration shall certify to the Tennessee Code Commission any fiscal year in which appropriations necessary to implement the provisions of this act are not made in the general appropriations act.

SECTION 5. This act shall take effect July 1, 2001, the public welfare requiring it.